

## Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 EB-08 IGA-02 AID-05 SS-15 IO-13

A-01 SP-02 /061 W

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R 311436Z AUG 77

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 6309

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EO 11652: NA

TAGS: ECIN, CI, EAID

SUBJ: U.S. - ECLA RELATIONSHIPS

REF: STATE 200364

1. SANTIAGO WELCOMES THIS OPPORTUNITY NOT MERELY TO COMMENT ON ITS PRESENT RELATIONS WITH ECLA, BUT TO SUGGEST WAYS IN WHICH ITS PROXIMITY AND CONTACT WITH ECLA PERSONNEL MIGHT BE OF GREATER USEFULNESS TO THE DEPARTMENT AND OTHER CONCERNED WASHINGTON AGENCIES.

2. WITHIN THIS MISSION, WE SHOULD DISTINGUISH AMONG VARIOUS TYPES AND LEVELS OF CONTACT A) AT THE CHIEF OF MISSION/IGLESIAS LEVEL, B) BY USAID AND C) THROUGH THE EMBASSY ECONOMIC SECTION. OF THE THREE USAID HAS HAD THE LEAST CONTACT, AND WHAT LITTLE THERE HAS BEEN WILL DECREASE AS PHASE OUT CONTINUES. THIS NOTWITHSTANDING, USAID WISHES TO RECORD ITS VIEW THAT IT WOULD BE BENEFICIAL FOR THE USG TO HAVE GREATER CONTACT. SANTIAGO 6935 AT SECTION B PROPOSES A CONSULTATIVE COUNCIL OF AID WHICH WOULD INCLUDE PERSONS OF PREBISCH'S STATURE.

3. CHIEF OF MISSION. RELATIONS BETWEEN THE CHIEF OF MISSION AND IGLESIAS HAVE LONG BEEN CORDIAL AND FRUITFUL, REFLECTING, AMONG OTHER THINGS, INGLESIAS' KEEN DESIRE FOR CONTACT WITH USG. WE RECALL  
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SUCH INFORMAL OCCASIONS AS BREAKFAST AT THE RESIDENCE INCLUDING AMBASSADOR POPPER, IGLESIAS, ECON COUNSELOR KENNEDY AND ECLA SENIOR ECONOMIST CARLOS MASSAD. THIS RELATIONSHIP HAS BEEN FURTHER STRENGTHENED UNDER CHARGE BOYATT, NOT MERELY THROUGH SOCIAL CONTACT AND DISCUSSION, BUT NOTABLY BY BOYATT'S COOPERATION WITH THE ASSISTANCE TO IGLESIAS IN ACHIEVING A PEACEFUL SOLUTION ON THE OCCASION WHEN 26 RELATIVES OF "DISAPPEARED"

CHILEANS CAMPED OUT AT ECLA HEADQUARTERS. THE CHARGE HELPED TO TO DEFUSE A DANGEROUS SITUATION, POTENTIALLY DAMAGING TO ECLA'S SENSITIVE POSITION IN SANTIAGO.

4. ECONOMIC SECTION. THE SAME COOPERATIVE FRIENDLINESS PREVADES RELATIONSHIPS THROUGH THE EMBASSY ECONOMIC SECTION, NOT ONLY BETWEEN IGLESIAS/MASSAD AND KENNEDY, BUT THROUGH THE ECONOMIC OFFICER (FORMERLY CHEATHAM, NOW FLOWER) DESIGNATED AS LIAISON OFFICER WITH ECLA. ON THE MORE ROUTINE LEVEL, THE ECONOMIC SECTION MONITORS AND FORWARDS TO THE DEPARTMENT MULTIPLE COPIES OF ALL PUBLICATIONS AND DOCUMENTS PRODUCED BY ECLA. FACILITATIVE ASSISTANCE IS RENDERED IN CONNECTION WITH THE HIRING OF ECLA OF AMERICAN PERSONNEL. ECON OFFICERS REGULARLY PARTICIPATE IN ECLA-SPONSORED SEMINARS, AND, FROM TIME TO TIME, EXCHANGE VIEWS WITH ECLAS ON THE CHILEAN ECONOMIC SITUATION.

5. WHERE IN OUR JUDGMENT WE HAVE BEEN SOMEWHAT WEAK IS IN DEALING WITH THE REGIONAL ISSUES WITH WHICH ECLA IS PRIMARILY CONCERNED. IN LARGE PART, THIS ARISES FROM THE REALIZATION THAT THIRD COUNTRIES ARE NOT PART OF OUR TURF, COUPLED WITH ABSENCE OF A CLEARLY DEFINED MANDATE FROM THE DEPARTMENT. FOR EXAMPLE, WE HAVE ONLY ONCE (IN THE TWO-YEAR MEMORY OF THE ECON COUNSELOR) RECEIVED A REQUEST FROM THE DEPARTMENT FOR SUBSTANTIVE INTERVENTION WITH ECLA. THAT CONCERNED THE STUDIES ON LATIN AMERICA'S MOUNTING DEBT EXPOSURE BEING CONDUCTED BY CARLOS MASSAD AND ROBERTO SAHLER. THE ECON COUNSELOR SPENT A MORNING WITH ZAHLER LIMITED OFFICIAL USE

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AND SUBMITTED AN APPARENTLY SATISFACTORY PRELIMINARY REPORT, WHICH WAS ACKNOWLEDGED WITH THE INDICATION THAT MORE DETAILED QUESTIONS WOULD BE FORTHCOMING. NONE, HOWEVER, WERE, AND THIS IN SPITE OF A SUBSEQUENT INFORMAL INQUIRY ON OUR PART. WE ARE NOW IN RECEIPT OF MASSAD AND ZAHLER'S FINAL REPORT. ON THE OCCASION OF AMBASSADOR TODMAN'S ROUND-TABLE AT ECLA, MASSAD BROUGHT THE MATTER UP AGAIN WITH THE ECON COUNSELOR, EVIDENTLY HOPING FOR FURTHER DISCUSSION AND INTEREST ON OUR PART. THIS WOULD, IN OUR JUDGMENT, BE A GOOD OPPORTUNITY TO INITIATE THE NEW PHASE IN OUR ECLA RELATIONSHIP WHICH REFTEL IMPLIES. WE ARE, HOWEVER, RELUCTANT TO PURSUE THE MATTER, AND RAISE EXPECTATIONS OF INTEREST WHICH WE CANNOT FULFILL, UNTIL WE HAVE A BETTER IDEA OF WHAT THE DEPT REQUIRES AND EXPECTS FROM US, NOT ONLY REGARDING THIS SUBJECT, BUT THE WHOLE GAMUT OF SOCIAL AND ECONOMIC CONCERNS.

6. ON OUR PART, WE ARE MOST EAGER TO PLAY A ROLE IN THE PROPOSED CONSULTATION PROCESS. FOR US, THE ECLA DOOR HAS ALWAYS BEEN OPEN. THE IMMEDIATE NEED, AS WE SEE IT, IS FOR ARA TO CONSIDER: WHAT SPECIFICALLY IT EXPECT FROM US; HOW TO CREATE A NETWORK OF COMMUNICATIONS CHANNELS BETWEEN SANTIAGO AND OTHER ECLA-INVOLVED POSTS IN THE REGION AND BETWEEN THE FIELD AND THE DEPARTMENT; AND WHICH OFFICES IN THE DEPARTMENT WOULD BE RESPONSIBLE AND

RESPONSIVE TO POSTS AND THE ISSUES.

BOYATT

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## Message Attributes

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